

## 6. Consultant Cost Control



Consultants serve a valuable and useful role in State government. Consultants bring specialized knowledge and expertise that is not available internally, design and develop new projects, conduct studies that require independence and objectivity, and provide short-term staffing expertise when agencies are unable to hire qualified personnel. However, agencies must be mindful not to overuse consultants, wasting valuable State resources.

The Arizona Department of Transportation (ADOT) is leading a statewide ER effort, reviewing financial records, examining consulting contracts, and meeting with agency personnel in an effort to identify and eliminate wasteful and unnecessary contracts. One analysis estimates that State agencies spend \$100 million annually on consultants. Coordinating consulting services, using innovative procurement methods to purchase services, and coordinating consulting engagements among agencies can create efficiencies and help control tax dollars spent on consultant fees.

## 7. Leasing and Space Utilization



State agencies rent nearly 2.8 million square feet of space from private landlords, at an annual cost of more than \$42 million. ADOA is leading this statewide initiative by examining strategies to reduce leasing costs, investigating ways to expand the Privatized Lease-To-Own program, redesigning office layouts to reduce square footage requirements, and co-locating offices as customer and client contact is modernized through technology. Centralizing space planning and increasing coordination through ADOA is also being considered.

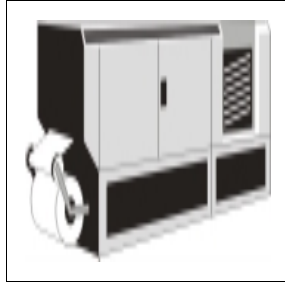
## 8. Mail Operations



More effective use of new technology can also reduce the cost of mail operations. In order to maximize the benefits offered by technology, and to gain economies of scale, the State could consolidate mail operations among the largest agencies. A recent Pitney Bowes analysis of mail operations for seven State agencies found that consolidation of mail operations would achieve savings in mail production and postage costs, and would eliminate redundant courier services among agencies.

Consolidation could occur through outsourcing mail operations to a private vendor (DES model) or outsourcing part of mail operations (ADOT model), or by creating a consolidated State-run mail operation (state of Utah model). ADOA is actively leading the interagency effort to improve mail service. Many agencies, including the departments of Public Safety, Commerce and Tourism, and the Arizona Medical Board, continue to reduce mailing costs by publishing documents electronically rather than mailing them. ADOT and DOR are now providing forms on-line.

## 9. Printing Services



Innovations in technology continue to offer opportunities to reduce printing costs. Most State agencies are placing previously printed documents on agency Websites and making documents available electronically. In addition, agencies can streamline, modernize, and reduce printed volume that is processed and transmitted internally. Network and desktop systems make it possible to distribute internal documents electronically and to limit hard-copy printing to necessary, on-demand usage. ADOA expects to perform an analysis of the per-copy cost for printing at agency print shops (e.g., ADOA, Corrections), to compare with the costs of the private sector.

State agencies, such as DES, are examining ways to increase efficiencies through electronic-document scanning and imaging. This will reduce the number of times customers will have to fill out forms for related programs in the same agency (e.g., welfare, food stamps, JOBS at DES) and make it more convenient and less costly for agencies to retrieve documents that previously were stored on microfilm or in file folders.

## 10. Fleet Management and Travel



Reduction and consolidation of the State fleet offers opportunities to reduce and avoid costs. State agencies continue to review use of vehicles and revert to the State Fleet those vehicles not essential to job performance. In 2003, ADOA established a minimum 1,000 miles-per-month use standard and requested agencies to review their usage. As a result, in the past year more than 250 vehicles were reverted to the State Motor Pool or auctioned off. Agencies are encouraged to return domiciled (take-home) vehicles, particularly those not essential to job performance. Statewide consolidation of fleet operations is another option under review as a means to contain fuel, maintenance and repair costs. Statewide fleet consolidation could result in substantial savings and cost avoidances.

Travel procedures are also being examined by State agencies. Agencies are encouraging employees to compare Internet rates to travel agency rates and utilize the most cost-effective option for out-of-state travel. In-state travel coordination has also improved with state agencies encouraging ridesharing, and utilizing Web-meeting and telephone conferencing.